

LAW OF THE REPUBLIC OF ARMENIA

"ON LAND TAX"

Note: Article 10 was subsequently amended

CHAPTER 1. THE OBJECT OF TAXATION AND THE TAXPAYERS

Article 1.

Land owners as well as permanent and temporary users of land owned by the State are considered land taxpayers. The tax of land allocated for use on lease conditions shall be exacted from the lesser.

Article 2.

For agricultural lands, the net income, determined through cadastre appraisal of land, shall be the object of taxation. The cadastre value of land shall be the object of taxation for non-agricultural lands.

CHAPTER 2. THE LAND TAX RATES AND THE CALCULATION METHODS THEREOF

Article 3.

The land tax rates shall not be dependent on the results of economic activities of taxpayers, and shall be established in a form of fixed annual payment per unit-area of the parcel of land.

Article 4.

The land tax on parcels of agricultural land (including land-plots allotted for housing construction, plots attached to a house and gardening lands (dacha plots) shall be imposed at a rate of 15 per cent of the calculated net income, determined through cadastre appraisal thereof.

Article 5.

The tax on non-agricultural lands shall be imposed at the following rates:

- a) lands of industry (including mines, and areas damaged by industrial production activities), transportation, communication, broadcasting, television, lands occupied by gas pipelines, lands being used for defence purposes, as well as lands of water reserves, shall be imposed at the following rates of the cadastre value of the land of a given category in the corresponding cadastre of surrounding zones:
 - inside the populated areas: 1 per cent;
 - outside the populated areas: 0.5 per cent;
- b) the tax on lands of the forest areas (except for agricultural lands-plots located therein) shall be imposed at a rate of 1 per cent of the average cadastre value of unusable lands in the corresponding cadastre of surrounding zones;
- c) the tax on other non-agricultural lands shall be imposed at a rate of 1 per cent of the cadastre value of the land of a given category.

Article 6.

Taxable areas shall include: land-plots occupied by buildings and structures; territories necessary for their maintenance; as well as sanitary-protection, technical and other zones.

Article 7.

Land tax shall be exacted from the payers for their agricultural activities (production of agricultural products). They shall be exempted from profits tax (income tax), except for the agricultural enterprises of industrial nature (such as summer-house and beast-breeding enterprises, animal-keeping complexes, agro-complexes, poultry-breeding farms, etc.), whose list shall be approved by the Government of the Republic of Armenia with the consent of the Permanent Committee of the Supreme Council of the Republic of Armenia for Finance, Budget and Credit Matters.

The tax payers, 25 per cent of whose incomes are derived from agricultural activities, shall not be exempted from profits tax (income tax) for those activities. To that effect, the tax payers shall be obliged to maintain registration of production and circulation expenses borne from agricultural and non-agricultural activities, as well as separate registration of realization.

Article 8.

The land tax shall be calculated starting from the month, which follows the month of obtaining the right of ownership to the parcel of land, or the right to use it permanently or temporarily.

Article 9.

Tax exaction, from a taxpayer who is entitled to tax privilege during the year, shall be terminated starting from the month he has been entitled to the privilege.

In case the right to the privilege is lost during the year, the tax shall be calculated starting from the month following its loss.

**CHAPTER 3.
THE LAND TAX PRIVILEGES****Article 10.**

The following shall be exempt from land tax:

- a) budgetary institutions and organizations, as well as State reserves, National Parks, public gardens, botanical parks, and lands of historic-cultural significance, except for lands allocated for lease or service use;
- b) peasant and peasant collective farms created during land reform and privatization - for a term of two years starting from the month when the title of ownership in land has been obtained;
- c) land owners, permanent or temporary owners who have been granted that land for a definite period of time on the condition of exemption from income tax, in accordance with the legislation of the Republic of Armenia - during that period;
- d) lands of public use in populated areas, owned by the State (squares, streets, passages, roads, parks, public gardens, reservoirs, etc.);
- e) educational-production and experimental plots of professional technical schools (vocational schools) and secondary schools;
- f) newly created and young grape and fruit gardens, up to the entire prolificacy of the plantations (within the periods specified by technical specifications for each sort), if their area is equal to or exceeds 0.1 hectare.

Article 11.

The following shall be entitled to land tax-exempt on fifty percent:

- a) agricultural and forestry research organizations, testing, experimental, educational-experimental, seed-growing, planting, pedigree livestock-breeding, and sort-testing enterprises, stations and other establishments according to the list confirmed by the Government of the Republic of Armenia - regarding those lands, which are being used exclusively for scientific and educational, as well as for agricultural, forestry, and crops sort-testing purposes;
- b) citizens, exempted from income tax under the legislation of the Republic of Armenia - regarding lands owned by them.

**CHAPTER 4.
THE METHOD OF TAX REGISTRATION AND PAYMENT TO THE BUDGET****Article 12.**

The documents, certifying the right to own the land or use it permanently or temporarily, shall serve as a basis for calculating the land tax.

Article 13.

The enterprises (except for agricultural farms), institutions and organizations shall assess the land tax themselves and submit to the agencies of the State Tax Inspectorate calculations for every taxable parcel of land no later than the 1st September of each year.

The tax calculations for newly allocated parcels of land must be submitted to the tax agencies within one month from the day of obtaining the right to use the land.

Article 14.

The citizens and peasant farms shall assess land tax independently on the basis of bills of payment calculated and served to them by the agencies of the State Tax Inspectorate by the 1st of September.

Article 15.

The registration of payers and the tax assessment shall be made as of the 1st July of each year.

The agencies of the State Tax Department shall conduct the registration of payers, exercise control over accuracy of tax assessments and timely payments.

Article 16.

Individual citizens and agricultural farms shall pay the calculated sums of land tax to the state budget in equal parts no later than 15th November of the accounted year and no later than 15th April of the next year; and enterprises, institutions and organizations shall pay them once per quarter, by the 25th day of the month immediately following the accounted quarter.

Article 17.

The payment of land tax to the state budget shall be carried out in accordance with the provisions of the legislation of the Republic of Armenia.

**CHAPTER 5.
FINAL PROVISIONS**

Article 18.

The payers, as well as the officers of enterprises, institutions and organizations shall, in a manner established by the legislation of the Republic of Armenia, be subjected to liability for infringement of this law.

Article 19.

The Government of the Republic of Armenia, with the consent of the Permanent Committee of the Supreme Council of the Republic of Armenia for Finance, Budget and Credit Matters, may establish, for specific payers or payers' groups, other rates of land tax, other procedures for assessment and payment, or privileges

Article 20.

The regulations for implementing this Law shall be elaborated and published by the State Tax Inspectorate of the Republic of Armenia with the consent of the Ministry of Finance of the Republic of Armenia, the Ministry of Agriculture of the Republic of Armenia, and the Ministry of Justice of the Republic of Armenia.